

IN THE SPECIFICATION

Please rewrite the title on page 1, lines 1-2, as follows:

ENCODING DEVICE AND METHOD FOR ENCODING DIGITAL IMAGE **IMPROVED BY REQUANTIZATION OF A PREDETERMINED SUBBIT PLANE**

Please rewrite the paragraph on page 7, lines 5-14, as follows:

At the JPEG 2000 encoder 2, first, DC level conversion and color space conversion into a defined color space are carried out for an entered image by the DC level conversion section 8 and the color space conversion section 9. Then, at the wavelet conversion section 11, the converted image is subjected to wavelet conversion into a numeral, and a converted coefficient is quantized by the quantization section 12. By using the quantized coefficient, the coefficient bit modeling section 13 generates a symbol D encoded at the arithmetic encoding section 4 14 of next processing and a context CX used therefor.